

INFORMATION LETTER

Not for
Publication

NATIONAL CANNERS ASSOCIATION

For Members
Only

No. 1010

Washington, D. C.

November 11, 1944

OPA ANNOUNCES PROVISIONS OF PRICING METHOD NO. 2

Ceilings for Remaining Canned Fruits and Vegetables Priced under Terms of Amendment

The Office of Price Administration issued on November 13 an amendment to Supplement 7 to Food Products Regulation No. 1 which adds the pricing provisions for the packed fruits, berries and vegetables of the 1944 pack which will be priced under Pricing Method No. 2. Pricing Method No. 2 provides the methods for figuring maximum prices for all of the packed fruits, berries and vegetables of the 1944 pack which have not been priced under Pricing Method No. 1 with the exception of packed snap beans produced in Maryland and New Jersey which will be covered by Pricing Method No. 1 by a later amendment. This amendment also makes miscellaneous changes in Supplement 7 and adds an individual adjustment provision for processors of products covered by Pricing Method No. 2. The amendment to Supplement 7 is reproduced below.

Supplement 7 to Food Products Regulation No. 1 is amended in the following respects:

1. Section 4(b) is amended to read as follows:

(b) *Pricing Method No. 2.* Under Pricing Method No. 2, as set forth in section 6, the processor in most cases figures his maximum price by: (1) taking his 1943 maximum price for sales of the item to purchasers other than government procurement agencies, as figured under the general formula pricing provisions of Maximum Price Regulation 306 or 403, less the amount of any adjustment for approved wage rate increases required to be figured under the applicable regulation; (2) adjusting this figure for approved increases in wage rates, by multiplying it by the appropriate figure named in section 6 for the product; (3) subtracting from the resulting figure 2 per cent of that figure; (4) subtracting his 1943 raw material cost; (5) adding his 1944 raw material cost; and (6) subtracting any direct subsidy payable per unit of the finished product. The resulting figure is the processor's maximum price for sales of the item to purchasers other than government procurement agencies. This general pro-

vision does not apply to the pricing of any item for which the 1942 or 1943 maximum price was determined by using a competitor's maximum price or by specific authorization, nor does it apply to the pricing of vegetable greens.

A somewhat similar pricing method is provided for pricing an item by a processor who did not establish a maximum price for the 1943 pack under the general formula Provisions of Maximum Price Regulation 306 or 403. Under this method generally the processor figures his maximum price by: (1) taking his 1942 maximum price for the item as required to be figured under the general formula provisions of Maximum Price Regulation 152 or 185 or Revised Maximum Price Regulation 233; (2) subtracting his 1942 raw material cost; (3) adding his 1944 raw material cost; (4) adjusting this figure for approved increases in wage rates; (5) subtracting from the resulting figure 2 per cent of that figure and (6) subtracting any direct subsidy payable per unit of the finished product. The resulting figure is the processor's maximum price for sales of the item to purchasers other

(Continued on page 8429)

PLANNING COMMITTEE MEETING IS HELD

Group Discusses Plans for Coming Year During Two-day Session

The Planning Committee met at the Association's headquarters in Washington on November 4 and 5, and after two days' discussion of the questions involved in suggesting plans for the coming year adjourned until November 25 when another meeting will be held just prior to the meeting of the Administrative Council and the Board of Directors.

In the meantime, an effort will be made to obtain more information from canners throughout the country with respect to questions upon which there are differences of opinion, in order that the report of the Planning Committee, when submitted to the Board of Directors for consideration, may adequately reflect the views and desires of the industry.

Subjects discussed by the Committee included OPA pricing policy and pro-

(Concluded on page 8427)

CEILING PRICES FOR 1944 PACK OF PACIFIC NORTHWEST CANNED BARTLETT PEARS AND SWEET CHERRIES NAMED

Maximum prices for the 1944 pack of canned Bartlett pears and sweet cherries processed in Washington and Oregon are contained in an amendment to Supplement 7 to Food Products Regulation 1, effective November 16, 1944, issued by the Office of Price Administration. In addition, this amendment makes changes in the conversions from tin to glass for spinach, tomatoes, yellow cling peaches, fruit cocktail, and apricots.

The permitted increases and price ranges for No. 2½ and No. 10 cans shown for Bartlett pears and sweet cherries in the appropriate Table 3 may be used by canners to establish their 1944 gross ceiling prices for any item shown, providing sales were made in the base period and a base price can be established. The gross ceiling price will be computed by adding the permitted increase to the base price, which is the weighted average selling price for the first 60 days after the beginning

of the 1941 pack. If the result of this addition gives a figure which comes within the appropriate price range, no adjustment is necessary. If, however, it is higher than the upper limit of the price range, it must be adjusted to the highest price of the range; if lower, it may be adjusted to bottom price range.

If a canner in Washington and Oregon made no sales of Bartlett pears or sweet cherries during the base period, his gross ceiling will be the middle of the price range for each item. If a canner sold some but not all of the items during the base period, he may fill in the blanks in his price list by conversions from prices he may establish.

The maximum prices on government sales will be 96 per cent of the gross ceiling prices as established above.

Appendix C to Section 16 covering sweet cherries is amended in the following respects: In Table 3, Area 2 (composed of Oregon and Washington) is added to read as follows:

Style and grade	No. 2½ cans		No. 10 cans	
	Permitted increase	Price ranges	Permitted increase	Price ranges
Light, unpitted:				
Fancy.....	\$1.20	\$8.68-\$4.01	\$1.82	\$13.08-\$13.22
Choice.....	1.13	3.39-3.63	4.20	11.77-12.77
Standard.....	1.04	3.07-3.37	3.80	10.50-11.56
Water.....	.....	.....	1.91	6.76-7.14

In Table 4 maximum prices, which are the midpoints of the price range shown in Table 3, are added for Area 2.

Table 5 is amended by adding Area 2 which reads as follows:

To convert from a can size in this column	To a can size listed at the head of a column below, multiply by the appropriate conversion factor				
8-ounce.....	.....	.....	2.88	9.80	
No. 1 Tall.....	.....	.....	1.71	5.77	
No. 2.....	.....	.....	1.36	4.60	
No. 2½.....	0.85	0.59	0.74	.....	3.40
No. 10.....	0.10	0.17	0.22	0.29	.....

The above conversions for 8-ounce cans are also added to Table 5 for Area 1.

In Table 8, Area 2 is added to read as follows:

Style and grade	No. 2½ cans		No. 10 cans	
	Permitted increase	Price ranges	Permitted increase	Price ranges
Light, unpitted:				
Fancy and Choice.....	0.31	0.88
Choice and Standard.....	0.29	1.09
Standard and Water.....	4.23

In Table 6 the figure "-\$0.30" in the column headed "No. 303 glass" and opposite "No. 2½" is amended to read "-\$0.98."

Appendix E to Section 16 is amended in the following respects:

The first undesignated paragraph in the "explanation of how maximum prices are figured for Bartlett pears, halves (peeled), quarters (peeled), and diced" is amended to read as follows:

This appendix includes the specific pricing provisions for packed Bartlett pears, halves (peeled), quarters (peeled), and diced, produced in the State of California, and for packed Bartlett pears, halves (peeled), in the States of Washington and Oregon. It does not apply to any of these styles of pack of Bartlett pears produced in States other than California, Washington and Oregon, to any style of pack of Bartlett pears other than halves (peeled) produced in the latter two States nor to packed spiced, whole or pickled pears, or Bartlett pear compote, produced in any area.

The paragraph headed "How conversions are made for style of pack" is amended in the following respects:

The heading "How conversions are made for style of pack" is amended to read as follows:

How conversions are made for style of pack of Bartlett pears, halves (peeled), quarters (peeled), and diced, produced in California only.

The following sentence is added, immediately after the paragraph heading:

The provisions of this paragraph apply only to conversions for the designated styles of pack of Bartlett pears produced in California.

Price Area No. 2, covering packed Bartlett pears, halves (peeled), in the States of Washington and Oregon.

Table 3 is amended by adding the following for Area 2:

Style and grade	No. 2½ cans		No. 10 cans	
	Permitted increase	Price ranges	Permitted increase	Price ranges
Bartlett pears, halves (peeled):				
Fancy.....	\$0.80	\$3.14-\$3.54	\$0.33	\$10.85-\$11.13
Choice.....	0.83	2.89-3.05	3.11	9.91-10.15
Standard.....	0.73	2.68-2.74	2.74	9.08-9.21
Seconds.....	0.65	2.39-2.37	.....	.....
Water.....	.....	.....	2.26	6.04-7.04
Pie.....	.....	.....	1.80	5.33-5.47
Solid Pack Pie.....	.....	.....	1.67	7.25-7.30

In Table 4, maximum prices, which are the midpoints of the price ranges shown in Table 3, are added for Area 2.

Table 5 for Area 2 is added to read as follows:

(Concluded on page 8428)

Colonel Isker Named to New Research Post with Army QMC

Colonel Rohland A. Isker, well known to the canning industry as Director of the QMC Subsistence Research and Development Laboratory in Chicago, has been assigned as Chief of the Subsistence Section, Research and Development Branch, of the Military Planning Division of the Quartermaster Corps. In this capacity he replaces Dr. B. E. Proctor, who has resigned to return to his academic and research duties at the Massachusetts Institute of Technology. Colonel Isker also will continue in the capacity as Director of the Chicago Laboratory.

During the period of the war the N. C. A. Research Laboratory has been called upon frequently by the Subsistence Laboratory for consultation in reference to Army food problems and has cooperated actively in projects relating to processing. One member of the N. C. A. staff participated in the work of the Army Mobile Field Laboratory in Illinois and Wisconsin during the past pea and corn packs. Information resulting from the National Canners Association-Can Manufacturers Institute nutrition program has been made available to the Subsistence Laboratory for use in appraisal of the dietary values of rations.

Colonel Isker's staff includes three former members of the Association's Research staff. Dr. E. J. Cameron, Director of the Washington Research Laboratory, is a member of the Board of Advisors to the QMC Laboratory.

OPA Will Permit Adjustable Pricing for All Export Sales

The Office of Price Administration has amended the Second Revised Maximum Export Price Regulation to permit any exporter to sell or contract to sell any item for export at prices which may be increased up to the maximum price in effect at time of delivery. The amendment became effective on November 1.

The OPA explained that the export regulation prior to amendment discouraged making of export sales contracts well in advance of delivery and that the amendment is designed to allow exporters to build up a backlog of future delivery orders to facilitate reconversion from war to peace-time basis.

The text of the amendment follows:

"Sec. 12a. *Adjustable pricing.* Any exporter may, notwithstanding the other provisions of this regulation, sell or agree to sell at a price which can be increased up to the maximum price in effect at the time of delivery."

PLANNING COMMITTEE

(Concluded from page 8425)

cedure; subsidies; support prices (both grower and canner); WFA floor support price program; procurement policy and government reservations; labor supply; pack and civilian supplies; surplus disposal; limitation orders; rationing; renegotiation; use of critical materials; and exports.

Early in the discussions it became evident that many of the questions that arose could be answered only by making assumptions with regard to various factors, such as the present supply situation (both government and civilian), the prospective needs for the armed forces, the probable date of the end of hostilities, probable labor supply, the Government's policy on support prices, the attitude of Congress on subsidies, the rationing policy, etc. Consequently, a considerable part of the meeting was devoted to discussion of possible alternatives under different situations.

Information available to the Committee indicated that the production goal for the major canned vegetables in 1945 will call for approximately the same total volume as packed in 1944, but with the probability of some changes in the goals for individual products. This goal is predicated on the assumption that the supply situation is such that, although hostilities in Europe may end before the 1945 production goes into consumption, the civilian market will be able to absorb the foods not required by the Government.

It was also indicated that to obtain this level of production in 1945, grower support prices will be necessary. Consequently, the War Food Administration is going ahead with plans based upon the production needs and the incentives considered necessary to attain that production. The grower support program under consideration would operate in about the same way as in 1944, with adjustment of area prices by grades of raw product to reflect customary practice.

The canner floor price support program, it was indicated, might provide for offers to buy at specific prices for grades, etc., rather than at a price representing certain percentages of the OPA ceilings.

The question of OPA ceilings involves the question of subsidies, as well as methods and procedures in establishing prices. The WFA program apparently assumes that subsidies will be paid in 1945, or in event

there is no provision for subsidies, that a compensating increase in OPA ceilings will be made.

WLB ORDER EXPLAINS NEW INCENTIVE WAGE RATES

The National War Labor Board has announced adoption of General Order No. 38, which is a clarification as to which new incentive wage or piece rates and which changes or modifications of established incentive wage or piece rates may be made without WLB approval.

Approval of the Board is not required where the rate is changed to reflect a change in method, product, tools, material, design or production conditions if the change maintains the established relationship between earnings and effort so that equivalent earnings will be paid for equivalent effort, according to the new General Order.

New production items may be placed on an incentive wage or piece rate basis in parts of a plant where an established incentive wage or piece rate plan is in operation, without Board approval, provided that the principles of the plan which is in operation are applied to the new item, the order explained.

In establishing incentive or piece rates for new production items, equivalent occupational earnings must be maintained for equivalent effort.

If an incentive wage or piece rate which is set without Board approval, as provided by the new General Order, is found to have been inaccurately determined, the rate must be immediately adjusted to bring it into conformity with the principles outlined in the order.

Employers who make wage adjustments without Board approval must maintain adequate records indicating that the adjustments were made in accordance with the principles outlined in this General Order.

If the new rates result in increases or decreases in average hourly earnings of the affected employees, the employer must be prepared to show that the increases or decreases are the result of increased or decreased levels of performance.

The text of General Order No. 38 follows:

(a) Except as noted in paragraph (b) hereof, the institution of a new incentive wage or piece rate, the extension of an established incentive wage or piece rate to departments not covered by existing wage incentive or piece rate plans, and the change or modification of an established incentive wage or piece rate requires the ap-

proval of the National War Labor Board. An established incentive wage or piece rate is a rate which was in existence on or prior to October 3, 1942, or has been approved by the National War Labor Board since that date, or which was placed in effect without the approval of the Board pursuant to General Order No. 6.

(b) The approval of the National War Labor Board is not required:

1. Where the rate is changed to reflect a change in method, product, tools, material, design, or production conditions. Such a change in rate must maintain the established relationship between earnings and effort, so that equivalent earnings will be paid for equivalent effort. The failure to make such a change constitutes an unauthorized wage increase or decrease.

2. Where a new production item is placed on an incentive wage or piece rate basis in those parts of a plant where an established incentive wage or piece rate plan is in operation, provided that the principles of the plan which is in operation are applied to the new item. In establishing incentive wage or piece rates for new production items, equivalent occupational earnings must be maintained for equivalent effort. Ordinarily this result is accomplished by the maintenance of established rate setting practices based on engineering principles.

(c) If an incentive wage or piece rate which is set without Board approval as provided in paragraph (b) hereof is found to have been inaccurately determined, such rates must be immediately adjusted to bring it into conformity with the principles outlined in this order.

(d) Employers who make wage adjustments without Board approval shall maintain adequate records indicating that the adjustments were made in accordance with the principles outlined in this order. If the new rates established without the approval of the National War Labor Board under paragraph (b) hereof result in increases or decreases in average hourly earnings of the affected employees the employer must be prepared to show that such increases or decreases are the result of increased or decreased levels of performance.

(e) The provisions of this General Order supersede the provisions of General Orders Nos. 5, 6, 9, and 31 to the extent that such Orders may relate to the institution, change or modification of incentive wage and piece rates.

Bush Buys Blytheville Plant

Bush Bros. & Co., of Dandridge, Tenn., have purchased the entire capital stock of Blytheville Canning Co., at Blytheville, Ark. The latter plant will be operated under its own name, with E. R. Lancaster in charge and no change in factory management.

BARTLETT PEARS AND SWEET CHERRIES

(Concluded from page 8426)

To convert from a can size in this column

To a can size listed at the head of a column below, multiply by the appropriate conversion factor

	8-ounces	No. 1 Tall	No. 2	No. 2½	No. 10
No. 1 Tall	....	....	....	2.77	9.14
No. 2	....	....	....	1.64	5.39
No. 2½	....	....	....	1.35	4.45
No. 10	0.36	0.61	0.74	....	3.29
	0.11	0.19	0.22	0.81	....

Table 8, Area 2, is added to read as follows:

Style and grade	No. 2½ cans	No. 10 cans
Bartlett pears, halves (peeled):		
Fancy and Choice	\$0.27	\$0.96
Choice and Standard	0.29	0.91
Standards and Seconds	0.38	....
Standard and Water	....	2.13
Standard and Pie	....	3.72
Standard and Solid Pack Pie	....	1.80

In Table 6 the figure "\$0.30" in the column headed "No. 303 glass" and opposite "No. 2½ cans" is amended to read "\$0.82."

The following changes in the conversions from tin to glass containers are added for various commodities:

For spinach, the conversion for No. 2½ tin to No. 303 glass is amended to read "\$0.37." For tomatoes, the conversion from No. 2 tin to No. 303 glass is amended to read as "+\$0.02."

For yellow cling peaches, the conver-

sion from No. 2½ tin to No. 303 glass is amended to read "\$0.60." For fruit cocktail, the conversion from No. 2½ tin to No. 303 glass is amended to read "\$0.83." For apricots the conversions from No. 2½ tin to No. 303 glass are amended to read as follows: Halves (unpeeled), "\$0.08"; whole (unpeeled), "\$0.50"; whole (peeled), "\$0.65."

This Amendment in complete form will be mailed to all affected canners as soon as available.

U. S. Supreme Court Rules Filled Milk Act is Constitutional

Holds Statute Protects Consumers from Confusion between Milk and Milk Substitutes

The United States Supreme Court in the case of *Caroene Products Co., et al. v. The United States* (decided November 6, 1944) ruled that the Federal Filled Milk Act constitutionally prohibits shipment in interstate commerce of filled milk which is properly labelled and which is claimed to be as nutritious as whole milk. The Court concluded that the Act is designed to protect consumers against possible deception by confusion between whole milk and its substitutes, and that despite accurate labeling the product could be barred from interstate commerce. The decision is of interest in view of its probable bearing on the misbranding and standards sections of the Federal Food, Drug, and Cosmetic Act.

The Caroene Company and its officers had been convicted of violation of the Filled Milk Act and asked the Supreme Court to review the contention that filled milk cannot constitutionally be banned from commerce when the compounds are "nutritionally sufficient," are not "in imitation or semblance" of milk or milk products, and are not sold as milk or milk products. The filled milk was made from whole milk from which butterfat was removed and vegetable oil and fish liver oil containing vitamins were added. The filled

milk in appearance closely resembled whole milk, but it was properly labelled to show the ingredients and trade names.

In answer to the argument that the Act did not apply to this product because it was meant to cover only nutritionally deficient substitutes, the Court ruled that the Act was intended to protect against deception of consumers resulting from ease with which the filled milk can be substituted for or confused with milk products.

The Court refused to hold that the Act was unconstitutional, stating:

"If the Filled Milk Act is applicable to the compounds whose shipment was the basis of the indictment in this case, as we have just concluded, petitioners assert that the act, as thus applied, violates the due process clause of the Fifth Amendment. Their argument runs in this manner. Since these enriched compounds are admittedly wholesome and sold under trade names with proper labels without the commission of any fraud by petitioners on the public, Congress cannot prohibit their interstate shipment without denying to petitioners a right protected by the due process clause, the right to trade in innocent articles. . . .

" . . . The trial court took judicial notice . . . as we do, of the reports of the committees of the House of Representatives and the Senate which show that other considerations than nutritional deficiencies influenced the pro-

hibition of the shipment of filled milk in interstate commerce. These unchallenged reports as we indicated in part 'First' above, furnish an adequate basis, other than unwholesomeness, for the action of Congress. The reports show that it was disputable as to whether wholesome filled milk should be excluded from commerce because of the danger of its confusion with the condensed or evaporated natural product or whether regulation would be sufficient. The power was in Congress to decide its own course. We need look no further."

The Court concluded that there was no showing made that the regulatory method adopted in this Act by Congress was arbitrary and therefore held the statute constitutional.

No Change in Surplus Food Policies Indicated by Report

W. L. Clayton, Surplus War Property Administrator, the War Food Administration, and other Federal agencies handling surplus property issued a joint statement on November 5 announcing policies to permit uniform disposal of surplus property pending appointment of the Surplus Property Board established by the Surplus Property Act approved October 3, 1944.

With respect to disposal of surplus processed foods and farm commodities, the statement declares:

"Existing policies and procedures under regulations of the Surplus War Property Administration with respect to the disposal of surplus agricultural commodities, surplus foods processed from agricultural commodities, and surplus cotton and woolen goods, continue in effect until modified or superseded by appropriate action taken by the Board or the War Food Administrator, or both.

"Surplus farm commodities will not be sold, except in compliance with the restrictions as to quantities and prices applicable to domestic sales, and the conditions applicable to export sales, as prescribed by this subsection."

Death Claims Roy L. James

Roy L. James, former vice president of Libby, McNeill & Libby, died November 4 in a St. Petersburg, Fla., hospital after an extended illness. Mr. James was actively identified with the food business for more than 40 years, beginning his career with Swift & Co. at St. Joseph, Mo.

West Coast Fisheries to Meet

The 31st annual convention of the Association of Pacific Coast Fisheries will be held at the Olympic Hotel in Seattle, Wash., December 19.

PRICING METHOD NO. 2

(Continued from page 8425)

than government procurement agencies. Processors of vegetable greens other than spinach are required to price under this method subject to the qualification, however, that they must refigure their weighted average selling prices in 1941 on the basis of sales made during the first 60 days of the spring and the first 60 days of the fall packs.

Maximum prices for sales to government procurement agencies are figured at 96 per cent of the maximum price (plus subsidy) for sales to purchasers other than government procurement agencies under section 2.12 of Food Products Regulation No. 1, which is made applicable to this supplement.

Section 6 also has special provisions for pricing items in certain metal containers and a pricing method for converting from tin to glass which is similar to provisions contained in Maximum Price Regulations 306 and 493. Also, special provisions are made for figuring raw material costs in certain cases.

2. Section 6 is amended to read as follows:

Sec. 6. Maximum prices for sales by processors—Pricing Method No. 2. The products covered by Pricing Method No. 2 are listed below. (The "base period" applicable to each product is the first 60 days after the beginning of the 1941 pack except where otherwise specified.)

Note: Cranberries and products made from crab apples are not covered by this supplement until such time as the limitation of the raw material price to be used in each case in figuring the 1944 raw material cost is announced. When this is determined the supplement will be amended to provide this information.

Packed fruits:

Apricots (except halves (unpeeled), whole (unpeeled), and whole (peeled), packed in California)

Cherries, sweet (except light unpitted, packed in California, Oregon and Washington)

Cherries, cocktail

Base Period: July 1, 1940 to September 30, 1940 and July 1, 1941 to September 30, 1941

Cherries, brined

Base Period: September 1, 1941 to November 30, 1941

Cherries, Maraschino and glace

Base Period: January 1, 1942 to March 31, 1942

Cherries, Red Sour Juice

Figs

Peaches (except yellow cling halves, sliced, quartered, and diced, packed in California)

Pears (except Bartlett pears, halves (peeled), quarters (peeled), and diced, packed in California; and Bartlett pears, halves (peeled), packed in Oregon and Washington)

Plums

Prunes, packed from fresh prunes
Prunes, dried in juice or syrup, juice, concentrate, and other prune products

Base Period: March 1942

Fruit cocktail (except packed in California)

Mixed fruits

Concord grape juice and Concord grape pulp

Base Period: October 1, 1941 to January 31, 1942

Apples, Applesauce, Apple juice, Sweet cider, and Crab apples
(Important: see note above).

Packed berries:

Blackberries; Blueberries; Boysenberries; Cranberries (Important: see note above), Gooseberries; Huckleberries; Loganberries; Raspberries; Strawberries; and Youngberries.

Packed vegetables:**Group I:**

Artichokes; Bamboo sprouts; Celery; Hominy; Okra; Onions; Parsnips; Peppers; Pickles, packed from fresh vegetables other than cucumbers; Pimientos; Pumpkin; Rhubarb; Squash; Turnips; and Vegetable greens other than spinach.

Group II:

Beets; Beans, fresh shelled; Beans; fresh lima; Carrots; Tomato juice, cocktail, catsup, chili sauce, puree, paste and sauce; and Italian pear shaped tomatoes.

Group III:

Mixed vegetables and Mixed vegetable juices.

Group IV:

Sauerkraut (except juice), Base Period: December 1, 1941 to March 31, 1942; Mushrooms, Base Period: October 10, 1941 to December 10, 1941; Peas, blackeye, crowder, cream, and field; Pickles, packed from fresh cucumbers; and Sweet potatoes.

For products covered by Pricing Method No. 2, the processor figures his maximum price for sales to purchasers other than government procurement agencies under the particular paragraph listed below which is applicable to the item being priced.

To price items (except vegetable

greens) sold during the base period and for which the processor established maximum prices for the 1943 pack under the formula provisions of Maximum Price Regulation 306 or 493, see paragraph (a), below.

To price items sold during the base period and for which the processor established maximum prices for the 1942 pack under the formula provisions of Maximum Price Regulation 152 or 185 or Revised Maximum Price Regulation 233 but for which maximum prices generally were not established in 1943 or for which dollars-and-cents maximum prices were named for the 1943 pack, and to price vegetable greens other than spinach, see paragraph (b), below.

To price items in certain container types and sizes, see paragraph (c), below.

To price items for which the maximum prices for the 1942 or 1943 pack were established by using competitors' maximum prices, or by specific authorization, and to price all items that cannot otherwise be priced, see paragraph (f), below.

(a) *General rule for pricing items sold during the base period and for which maximum prices were established for the 1943 pack under the formula provisions of Maximum Price Regulation 306 or 493.*

In general, this paragraph applies to the pricing of items which were sold by the processor during the base period and for which he established maximum prices for the 1943 pack under the general formula provisions of Maximum Price Regulation 306 or 493. It does not apply to items which were priced in 1942 or 1943 by using competitors' maximum prices, or by individual authorization, nor does it apply to the pricing of vegetable greens. However, this paragraph does apply to the pricing of items of the apple products covered by this section that were priced in 1943 by a grower-processor (including a grower-owned cooperative) by using the raw material cost of his closest competitor who purchased apples for use in making the product.

For sales of an item to purchasers other than government procurement agencies, the processor shall figure his maximum price per dozen containers or other unit, f.o.b. shipping point, as follows. He shall:

(1) *Start with the 1943 maximum price.* The processor shall use as his starting point the maximum price for the 1943 pack of the item, for sales to purchasers other than government procurement agencies, less the amount of any adjustment for approved wage rate increases required to be figured under Maximum Price Regulation 306 or 493.

(Continued on page 8430)

HARRY L. CANNON DIES

Harry L. Cannon, 66, president of the canning firm of H. P. Cannon and Son, Inc., at Bridgeville, Delaware, died suddenly November 10 at Philadelphia, Pa. Mr. Cannon, a former president of the National Canners Association and a director of the Federal Reserve Bank of Philadelphia, was in that city on business for the bank when he was stricken at his hotel.

Born at Bridgeville, Delaware, January 10, 1878, Mr. Cannon entered the canning business in 1899 upon graduation from Dickinson College, Carlisle, Pa. In the beginning, Mr. Cannon was associated in business with his father, the late Henry P. Cannon.

Survivors include his widow, a son, Henry P., II, and a daughter.

Mr. Cannon was a member of the following Association committees at the time of his death: Finance, War Council, War Planning, Manpower, and Planning for 1944 Production. He was also an active member of the Advisory Board, and a trustee of the Protective Fund and the Retirement Fund. During his entire career he had been unusually active and prominent in both national and State canning activities. Besides serving as an N. C. A. director in 1916 to 1919, he served on a number of other important Association committees, and from 1914 to 1916 was vice president of the Tri-State Packers Association.

Active in fraternal and political circles, Mr. Cannon was a Mason, a member of the Shrine, and the Union League Club. He was the Republican nominee for governor of the State of Delaware in 1936.

Besides serving as a trustee for the University of Delaware and Dickinson College, Mr. Cannon at the time of his death was director of the Delaware, Maryland, and Virginia Railway, Diamond State Telephone Co., Eastern Shore Public Service Co., Terminal Warehouse Co. of Baltimore, and Warner International Insurance Co. of Chicago.

Few men in the industry had a wider circle of acquaintances and friends. His death is a great loss to both the community in which he lived and to the industry with which he has been so long associated.

Taylor Succeeds Meeker

Leon B. Taylor has succeeded Davis Meeker as chief of the Farm Machinery and Supplies Branch, in the WFA Office of Materials and Facilities. He has been serving as assistant to the chief of the AAA in charge of special services.

PRICING METHOD NO. 2—(Continued from page 8429)

(2) *Adjust for approved increases in wage rates.* Next, the processor shall adjust for the increase in wage rates if he has incurred a wage rate increase approved by the War Labor Board or

under the Fair Labor Standards Act and made effective after January 1, 1943. The adjustment is made by multiplying by the appropriate figure named in the table below.

Product	State or Area	Multiply by
Packed fruits Yellow cling peaches (except halves, sliced, quartered, and diced)	California	1.03
Packed apples	California, Oregon and Washington	1.04
	All other states	1.03
Applesauce	California, Oregon and Washington	1.045
	All other states	1.02
Apple juice	All states	1.02
Sweet cider	All states	1.02
Products made from crab apples	All states	1.02
All other fruits listed at beginning of section 6 (including yellow cling peaches in states other than California)	All states	1.035
Packed berries All berries listed at beginning of section 6	All states	1.035
Packed vegetables Tomato juice	Maine, New Hampshire, Vermont, Rhode Island, Massachusetts, Connecticut, New York and Penn- sylvania (those counties not included in group of states beginning with Illinois)	1.04
	Delaware, Maryland, New Jersey, Tennessee, Kentucky, West Virginia, Virginia, North Carolina Florida, Georgia, South Carolina, Alabama, Mis- sissippi, Missouri, Texas, Oklahoma, Kansas, Louisiana and Arkansas	1.035
	Illinois, Indiana, Iowa, Michigan, Minnesota, Nebraska, Ohio, Wisconsin, North Dakota, South Dakota, and Pennsylvania (Bucks, Montgomery, Philadelphia, Delaware, Chester, Lancaster, York, Cumberland, Adams, Franklin, Fulton, Bedford, and Somerset Counties)	1.045
	California, Colorado, Idaho, Oregon, Utah, Wash- ington, Wyoming, Montana, New Mexico and Nevada	1.02
Tomato products listed at beginning of section 6 other than tomato juice	California, Colorado, Idaho, Montana, New Mexico, Arizona, Nevada, Oregon, Utah, Washington and Wyoming	1.02
	All other states	1.04
Sauerkraut	All states	1.025
All other vegetables listed at beginning of section 6	All states	1.045

Note: The area named refers, in each case to the area in which the processor's factory is located. The area in which the raw product was grown is not controlling.

(3) *Subtract 2 per cent.* Next, the processor shall subtract from the resulting figure 2 per cent of that figure.

(4) *Subtract the 1943 raw material cost.* Next, the processor shall subtract the 1943 raw material cost per dozen or other unit, delivered to his customary receiving point, as required to be figured under Maximum Price Regulation 306 or 403. He shall also subtract the actual transportation

charges incurred from his customary receiving point to his factory.

(5) *Add the 1944 raw material cost.* Next, the processor shall add to the resulting figure his 1944 weighted average raw material cost, connected to units of the finished product by applying the simple average of his 1941 and 1943 case (unit) yields and by adjusting for grade according to his customary practice. The 1944 raw material cost shall

be figured on the basis of not less than the first 75 per cent of his purchases of the raw material used by him in processing the product. However, the processor's weighted average raw material

cost shall be based on a weighted average raw material price no higher than the appropriate price named in the table below.

FRUITS—1944

Raw Material	Area	Price	
		Class A ¹ Varieties	Class B ² Varieties
Apples	All States		
		U. S. No. 1 cannery grade $2\frac{1}{4}$ inch size (and C grade as established under Washington & Oregon State grades) Cwt.	\$2.50 Cwt.
		U. S. No. 2 cannery grade $2\frac{1}{4}$ inch and \$1.65 up	\$1.50 Cwt.
		Apples which grade less than U.S. No. 2 cannery grade (eiders) Cwt.	\$1.00 Cwt.
		To be announced later	
Apricots	California Other states	\$89.00 per ton \$79.00 per ton	
Cherries, red sour	All states	\$155.00 per ton	
Cherries, sweet Canning (all varieties) Brining (all varieties)	California California	\$233.00 per ton \$215.00 per ton	
Canning (light) Canning (dark) Brining (all varieties)	Other states Other states Other states	\$215.00 per ton \$225.00 per ton \$205.00 per ton	
Grapes, Concord	Maine, New Hampshire, Vermont, Rhode Island		
Grapes, Concord (Cont.)	Massachusetts, Connecticut, New York, Pennsylvania, Ohio, Michigan, New Jersey, North Dakota, South Dakota, Nebraska, Illinois, Iowa, Indiana, Wisconsin, Minnesota	\$ 85.00 per ton	
	Washington, Oregon, Idaho Montana, Wyoming Other States	\$32.00 per ton Price actually paid	
Grapes, Thompson Seedless	All States	\$55.00 per ton	
Figs Kadota All others	All States	\$125.00 per ton \$67.00 per ton	
Peaches, Clingstone	All States	\$60.00 per ton	
Peaches, Freestone Elberta & Halos Lovell & others All varieties	California Other States	\$54.00 per ton \$47.00 per ton \$60.00 per ton	
Pears All varieties All varieties Bartlett Kieffer	California Oregon, Washington Other States	\$80.00 per ton \$73.00 per ton \$70.00 per ton \$40.00 per ton	
Pineapple	All States	1942 cost as computed under MPR 185	

(Continued on page 8432)

1944 Program for Canned Grapefruit Juice Announced

The Office of Price Administration and the War Food Administration on November 10 made the following joint announcement relative to ceiling prices and raw material costs for canned grapefruit juice packed during the 1944-45 season:

OPA civilian ceiling prices for the 1944-45 pack of canned grapefruit juice will be based upon the same raw material cost allowance as was used in constructing the 1943-44 civilian ceiling prices.

In a program similar to that of last season, WFA will absorb that portion of the canners' cost of raw grapefruit that is in excess of the cost reflected in these civilian ceiling prices. However, grower prices paid in excess of the following per ton "on tree" prices will not be absorbed: Florida, \$37.30; Texas, \$25.00; and California-Arizona, \$21.00.

WFA will not absorb any raw material costs on grapefruit juice sold to government agencies. Ceiling prices for such sales will be based on the actual cost of the raw materials up to the grower prices indicated above.

The grower price for Florida grapefruit (\$37.30 per ton) was based on estimates of production made shortly after the October hurricane. Provision is being made in the currently announced program for the revision of this grower price should later crop estimates show substantial changes. However, any revised price would not be used as the basis for determining maximum subsidy payments (or ceiling prices for sales of canned grapefruit juice sold to government agencies) until 10 days after it was announced.

A pricing program for canned orange juice, blended (orange and grapefruit) juice, and grapefruit segments will be announced within a few weeks.

Salary Stabilization Violations Determined by New Procedure

Regulations fixing the procedure by which the Treasury Department will investigate and decide alleged violations of the salary stabilization regulations were issued on November 4. This procedure only applies to salary matters under the jurisdiction of the Treasury.

Canners will be interested mainly in the general operation of the new procedure which gives an employer ample opportunity to present his case. An investigation will be conducted by Treasury Department agents who will make a written report to the head of

the Treasury Regional Office. If a violation is indicated, a further written report will be submitted to the Commissioner of Internal Revenue. Before this is done, the employer may discuss the report in a conference with the head of the Regional Office.

If the Commissioner believes that the investigation indicates that a violation was committed, the employer will be given the opportunity to present additional evidence and to confer on the violation. Thereafter, if the Commissioner still believes a violation was committed, the employer may request a formal hearing at which he may present evidence, briefs and oral argument.

Fishing Increases in Brazil

The fishing industry of Sao Paulo, Brazil, increased its catch in the fiscal year ending June 30, 1944, to 19,616,000 pounds compared with average annual landings of 6,600,000 pounds in former years, according to the U. S. Department of Commerce. Fishermen of Brazil now have a better incentive since all fish are purchased by the government agency which was organized in 1943 to control the industry. Government capital is being used to finance fishermen and to provide more efficient installations at fish receiving terminals.

Farm Population Decreases 15.7% in the Last Four Years

Farm population has decreased by 15.7 per cent during the last four years, according to estimates of the Bureau of Agricultural Economics, which states that in January, 1944, there were 25,521,000 persons living on farms as compared with 30,269,000 in January, 1940. The following changes are estimated to have occurred in the farm population:

1. A net loss to the armed forces of 1,650,000 men who were living on farms at the time they enlisted or were inducted.

2. A net loss of 4,000,000 persons of both sexes and all ages who either moved away from farms or who are living on places which are no longer farms because agricultural operations have ceased.

3. A net gain of 1,562,000 through excess of births over deaths in the farm population.

The estimate of persons living on farms who entered the armed forces includes not only farm workers but also a great many young men who were living on farms but working at non-agricultural occupations or attending school.

Half of the total decrease in the last four years took place in 1942.

PRICING METHOD NO. 2—(Continued from page 8431)

FRUITS—1944

Raw Material	Area	Price
Plums	California, Oregon, Washington, Idaho, Utah Other States	\$56.00 per ton 1942 cost as computed under MPR 185
Prunes, fresh	Washington, Oregon Other States	\$55.00 per ton \$48.50 per ton
Prunes, dried	All States	Commodity Credit Corporation's resale price for the area in which the processor's customary receiving point is located
Sales to government procurement agencies		War Food Administration's support price for area in which the processor's customary receiving point is located

¹"Class A Varieties" means the following varieties:

New York—Baldwin, R. I. Greening, Northern Spy, Twenty-ounce, Northwestern Greening, Grimes Golden, Stayman, King and Stark.

Pennsylvania, Maryland, West Virginia, and Virginia—York Imperial, Stayman, Golden Delicious, and Grimes Golden.

Oregon and Washington—Golden Delicious, Winesap, Spitzemberg, Arkansas Black, Newton, Rome Beauty, Stayman, Ortey and Jonathan.

California—Gravenstein, Bellflower, Newton, Baldwin, Northwestern Greening, Rhode Island Greening, Arkansas Black, Black Twig, Jonathan, Golden Delicious, Rome Beauty and Spitzemberg.

All other states—Golden Delicious, Northern Spy, R. I. Greening, Grimes Golden, Stayman, Rome Beauty, Baldwin, Wegener, Northwestern Greening, Twenty-ounce and Stark.

²"Class B Varieties" means all other varieties of apples used for processing.

BERRIES—1944

Raw Material	Area	Price
Blackberries	All states	\$12 per pound
Blueberries, wild	Maine, New Hampshire, Vermont, Massachusetts Other states	\$18 per pound 1942 cost per pound as required to be computed under MPR 185 plus \$0.03 per pound
Blueberries, cultivated	All states	1942 cost per pound as required to be computed under MPR 185 plus \$0.03 per pound
Boysenberries	All states	\$12 per pound
Cranberries	All states	To be announced
Gooseberries	All states	\$0.08 per pound
Huckleberries	All states	1942 cost per pound required to be computed under MPR 185 plus \$0.03 per pound
Loganberries	All states	\$12 per pound
Raspberries, black	All states	\$13 per pound
Raspberries, red	All states	\$15 per pound
Strawberries	All states	\$17 per pound
Ebensburg stemmed	All states	\$15 per pound
Others stemmed	All states	\$15 per pound
Youngberries	All states	\$12 per pound

VEGETABLES—1944

Raw Material	Area	Price
Group I Vegetables	All States	1942 raw material cost as required to be figured under MPR 152 plus 20% of that cost.

Raw Material	Area	Price
Group II Vegetables		
Beans, fresh shelled	All states	War Food Administration's Average support price for snap beans for the area in which the processor's customary receiving point is located.
Beans, fresh lima Beans, snap Beets Carrots Corn, sweet Peas, green Spinach	All states	War Food Administration's average support price for the area in which processor's customary receiving point is located.
Tomatoes for tomato juice	All states	War Food Administration's average support price for the area in which processor's customary receiving point is located.
Tomatoes for all other tomato products under Pricing Method No. 2 Sales to purchasers other than government procurement agencies	All states	Commodity Credit Corporation's 1943 resale price for the area in which the processor's customary receiving point is located.
Sales to government procurement agencies		War Food Administration's average support price for the area in which the processor's customary receiving point is located.
Group III Vegetables		
	All states	For raw vegetables in Group I, the 1942 raw material cost as required to be figured under MPR 152 plus 20% of that cost; for raw vegetables listed in Group II of this table, War Food Administration's average support price for area in which processor's customary receiving point is located.
Group IV Vegetables		
Cabbages	All states	\$22.00 per ton
Cucumber, fresh	All states	1941 cost plus 40¢ per bushel.
Mushrooms	All states	\$1.50 per 3-pound basket.
Peas, blackeyes	Virginia & Maryland All other states east of Mississippi River All other states west of Mississippi River, including all of Louisiana	\$60.00 per ton \$55.00 per ton \$65.00 per ton
Peas, All other field	Virginia & Maryland All other states east of Mississippi River All other states west of Mississippi River, including all of Louisiana	\$55.00 per ton \$50.00 per ton \$65.00 per ton
Sweet potatoes	All states	\$9.00 per 50-pound bushel.

The raw material prices named in the table above refer to support or designated prices delivered to the processor's customary receiving point except in the cases of blackeye peas, field peas, and spinach (in all states except California), for which the prices include delivery to the cannery. The actual transportation charges incurred from his customary receiving point to his factory (figured at rates prevailing on June 1, 1943) shall be added to the amount named at the customary receiving point. The location of the processor's customary receiving point is controlling in determining the applicable price in the table, and not the place where the raw material is grown or his factory located. However, if the processor purchases raw material in an area other than that in which his customary receiving point is located, the applicable price in the table is the price named for the area in which the raw material is grown, and he shall add to this amount the actual transportation charge that would have been incurred from his customary receiving point to his factory (figured at rate prevailing on June 1, 1943).

(Continued on page 8434)

State Convention Dates

Indiana—November 16 and 17, Claypool Hotel, Indianapolis.

Iowa-Nebraska—December 7 and 8, Hotel Fort Des Moines, Des Moines.

Maine—December 11, Eastland Hotel, Portland.

Minnesota—December 14, Radisson Hotel, Minneapolis.

New York—December 14 and 15, Hotel Statler, Buffalo.

Northwest Canners Association—January 3, 4, and 5, Hotel Multnomah, Portland.

Ohio—December 12 and 13, Deshler-Wallach Hotel, Columbus.

Ozark Canners Association—December 8, Colonial Hotel, Springfield, Mo.

Pennsylvania—November 9 and 10, Yorktowne Hotel, York.

Southern California Food Processors Association—December 5, place to be announced.

Texas—November 22, Casa de Palmas Hotel, McAllen.

Tri-States — November 30-December 1, Claridge Hotel, Atlantic City.

Virginia—December 6, Hotel Roanoke, Roanoke.

Wisconsin—November 13 and 14, Schroeder Hotel, Milwaukee.

Sweet Potato Booklet Issued

Experiments were conducted on a fairly large scale during three seasons on Porto Rico sweet potatoes grown in the vicinity of the U. S. Department of Agriculture Horticultural Field Station at Meridian, Mississippi, to determine the influence on quality of various fluctuating temperatures, such as those prevailing in practice. It was found, among other things, that ventilation is generally nonessential, wastes heat, and causes too low relative humidities for proper curing. The results of these experiments, and recommended temperature and humidity rates, are contained in Circular No. 666, entitled "Curing and Storage Methods in Relation to Quality of Porto Rico Sweet Potatoes," published by the USDA, copies of which may be obtained from the Superintendent of Documents, Washington, D. C., for 5 cents each.

Canadian Machinery Imports

Imports of agricultural machinery into Canada during the first eight months of this year were valued at \$28,035,000, or slightly more than double the valuation for the corresponding period of 1943, according to trade reports reaching the Department of Commerce. Imports of machinery other than agricultural for the eight months of this year were valued at \$56,801,000.

PRICING METHOD NO. 2—(Continued from page 8433)

(6) *Subtract any direct subsidy payable per unit of the finished product.* Finally, the processor shall subtract

the amount of any direct subsidy which is payable per unit of the finished product, as named in the following table.

**DIRECT SUBSIDY PAYABLE PER DOZEN CONTAINERS FOR TOMATO JUICE
ALL AREAS AND GRADES**

Name	Dimensions	Amount of subsidy to be subtracted per dozen containers in making sales to purchasers other than government procurement agencies.
No. 300	300 x 407	.04
No. 2	307 x 409	.06
No. 3 Cylinder or 46 oz.	404 x 700	.15
No. 10	603 x 700	.32

To determine the rate of subsidy payable per dozen on container types and sizes not specified above multiply \$0.0029 by the total capacity of the container in avordupois ounces of water at 68° Fahrenheit.

The resulting figure is the processor's maximum price per dozen containers or other unit, f.o.b. shipping point, for sales to purchasers other than government procurement agencies.

(b) *Rule for pricing items in certain cases where the processor did not establish maximum prices generally for the 1943 pack under the formula provisions of Maximum Price Regulation 306 or 493 and for pricing vegetable greens other than spinach.* In general, this paragraph applies to the pricing of items which the processor cannot price under paragraph (a) for the reason that he did not establish a maximum price for the 1943 pack under the general formula provision of Maximum Price Regulation 306 or 493 but for which he established maximum prices for the 1942 pack under the general formula provisions of Maximum Price Regulation 152 or 185 or Revised Maximum Price Regulation 233. It also applies to items for which dollars-and-cents maximum prices were named for the 1943 pack of the item and to the pricing of vegetable greens other than spinach. It does not apply to the pricing of items which were priced in 1942 by using competitors' maximum prices or by individual authorization.

For sales of an item to purchasers other than government procurement agencies, the processor shall figure his maximum price per dozen containers or other unit, f.o.b. shipping point, as follows. He shall:

(1) *Start with the 1942 maximum price.* The processor shall use as his starting point the maximum price for the 1942 pack of the item, as required to be figured under Maximum Price Regulation 152 or 185 or Revised Maximum Price Regulation 233. However,

for vegetable greens other than spinach he shall refigure that maximum price on the basis of his weighted average selling price during the first 60 days after the beginning of his 1941 spring and fall packs if during that calendar year he had more than one pack.

(2) *Subtract the 1942 raw material cost.* Next, the processor shall subtract the 1942 raw material cost per dozen or other unit, delivered to his customary receiving point, as required to be figured under Maximum Price Regulation 152 or 185. However, in the case of packed apples and applesauce, the 1942 raw material cost to be subtracted shall be figured by adding to the processor's 1941 raw apple cost 8 1/4 per cent of his "base price" as required to be figured under section 1341.404 of Revised Maximum Price Regulation 233,* and in the case of apple juice and sweet cider, the 1942 raw material cost to be subtracted shall be figured in the man-

* Note: Section 1341.404 of Revised Maximum Price Regulation 233 provides:

"Computation of base prices. (a) The base price for each kind, grade and container size of any apple product for which a maximum price is established by this Revised Maximum Price Regulation No. 233 shall be the total gross dollars charged by the seller for each item during the base period for such item, divided by the number of units sold during the base period."

Section 1341.406 of Revised Price Regulation 233 provides:

"The seller's maximum prices for canned or bottled apple juice or sweet apple cider, made from whole apples. (a) The seller's maximum price per unit, f. o. b. factory, for each grade of canned or bottled apple juice or sweet apple cider, made from whole apples, in container sizes of less than one gallon, shall be:

(1) The base price per unit for the same grade and container size; plus

(2) Ten per cent of such base price per unit; plus

(3) The amount of six cents per gallon, apportioned to each unit in the same proportion which the contents of such unit bears to one gallon.

(b) The seller's maximum price per unit, f. o. b. factory for each grade of canned or bottled apple juice or sweet apple cider,

as explained in section 1341.406 of that regulation. He shall also subtract the actual transportation incurred from his customary receiving point to his factory.

(3) *Add the 1944 raw material cost.* Next, the processor shall add to the resulting figure his 1944 weighted average raw material cost, converted to units of the finished product by applying the simple average of his 1941 and 1942 case (unit) yields and by adjusting for grade according to his customary practice. This cost shall be figured in the same manner and subject to the same limitations as provided in paragraph (a)(5), above, except that the actual transportation charges incurred from his customary receiving point to his factory shall be figured at the rate prevailing on June 1, 1944.

(4) *Adjust for approved increases in wage rates.* Next, the processor shall adjust for the increase in wage rates if he has incurred a wage rate increase approved by the War Labor Board or under the Fair Labor Standards Act and made effective after January 1, 1943. The adjustment is made by multiplying by the appropriate figure named in the table in paragraph (a)(2), above.

(5) *Subtract 2 per cent.* Next, the processor shall subtract from the resulting figure 2 per cent of that figure.

(6) *Subtract any direct subsidy payable per unit of the finished product.* Finally, the processor shall subtract the amount of any direct subsidy which is payable per unit of the finished product, as named in the table in paragraph (a)(6), above.

The resulting figure is the processor's maximum price per dozen containers or other unit, f.o.b. shipping point, for sales to purchasers other than government procurement agencies.

(c) *Rule for pricing items in certain container types and sizes.* (1) *Metal containers.* If the processor cannot figure his maximum price under paragraph (a) or (b) for an item packed in one of the following metal container sizes, his maximum price per dozen containers or other unit, f.o.b. shipping point, for sales to purchasers other than government procurement agencies, shall be:

(1) For No. 303 cans, 85 per cent of what his maximum price per unit, f.o.b.

made from whole apples, in container sizes of one gallon or more shall be:

(1) The base price per unit for the same grade and container size; plus

(2) Eight per cent of such base price; plus

(3) The amount of six cents per gallon, apportioned to each unit in the same proportion which the contents of such unit bears to one gallon."

shipping point, is or would be under paragraph (a) or (b), for the item packed in No. 2 cans;

(ii) For No. 1 (picnic) cans, 70 per cent of what his maximum price per unit, f.o.b. shipping point, is or would be under paragraph (a) or (b), for the item packed in No. 2 cans;

(iii) For 8-ounce cans, 55 per cent of what his maximum price per unit, f.o.b. shipping point, is or would be under paragraph (a) or (b), for the item packed in No. 2 cans.

(2) *Glass containers.* If the processor cannot figure his maximum price under paragraph (a) or (b) for an item packed in one of the glass container sizes listed below, his maximum price per dozen containers or other unit, f.o.b. shipping point, for sales to purchasers other than government procurement agencies, shall be 20 cents per dozen for packed fruits and berries, and 15 cents per dozen for packed vegetables, more than his maximum price is or would be under paragraph (a) or (b), for the item packed in the equivalent can size.

CONTAINER EQUIVALENTS

Name	Dimension	Overflow capacity	
		Metal	Glass
No. 1 Picnic	211 x 400	10.94	11½
No. 300	300 x 407	15.22	15½
No. 1 Tall	301 x 411	16.70	17
No. 303	303 x 406	16.88	17
No. 2	307 x 409	20.55	22.75
No. 2½	401 x 411	29.70	28.375
No. 3 Cyl.	404 x 700	51.70	49

NOTE: When a processor is able to establish a maximum price under the provisions of this subparagraph (2), the procedure set forth in section 10(a) is not applicable.

(d) *Basis for figuring raw material costs in certain cases.* The amount of the raw material cost to be added or subtracted in figuring a maximum price under paragraph (a) or (b), in certain cases, shall be figured as provided in this paragraph.

(1) *Raw material costs for grower-processors of apple products.* In the case of apple products covered by this section, a grower-processor (including a grower-owned cooperative) figuring a maximum price under paragraph (a) shall subtract and add the raw fruit costs of the same competitive processor as he was required to use in figuring his raw fruit costs under Maximum Price Regulation 493. If that competitor does not pack the product in 1944, the grower-processor shall use the 1943 and 1944 raw fruit costs of his most closely competitive processor who purchases apples for use in making the product.

(2) *1944 raw material cost for sauerkraut.* If a processor of sauerkraut is unable accurately to figure his 1944 weighted average cost for cabbage in figuring a maximum price under paragraph (a) because he has insufficient records as to his container yield, he shall determine his 1944 raw material costs on the basis of the following yields:

Container sizes and in bulk	Yield per ton
No. 10 cans	30 cases (15 dozen)
No. 2½ cans	30 cases (60 dozen)
45-gallon barrels	3 barrels
In bulk*	135 gallons

*For sauerkraut packed in any container type or size other than those listed above, the processor shall figure his yield on the basis of the designated bulk yield per ton.)

(3) *1944 raw material cost for mushrooms.* A processor of mushrooms in figuring a maximum price under paragraph (a) shall figure his 1944 weighted average cost for mushrooms on the basis of the total amount paid for mushrooms purchased and used in processing packed mushrooms during the first 15 days after the beginning of the 1944 fall pack.

(4) *1944 raw material costs for fruit nectars.* A processor of fruit nectars who by voluntary agreement with the War Production Board has changed his formula for packing these products from that used in the base period to a new formula requiring a greater percentage of fruit pulp, in figuring a maximum price under paragraph (a) or (b), shall calculate his 1944 weighted average raw fruit cost on the basis of his 1944 actual case yield used in packing the product under the new formula. In addition to the information required to be reported under section 13, a processor of fruit nectars who is pricing under this subparagraph (4), shall indicate on his report his base period formula and his present formula for packing fruit nectars.

(e) *Maximum prices in certain cases.* (1) *Tomato catsup packed in No. 10 cans.* For sales to purchasers other than government procurement agencies, the processor's maximum price per dozen containers or other fruit, f.o.b. shipping point, for any grade of tomato catsup packed in No. 10 cans shall be his maximum price per dozen 14-ounce bottles of the same grade (as figured under paragraph (a) or (b)) multiplied by 6.0 for factories located in Ohio and Indiana and by 6.5 for those located in all other states, or his maximum price for the item packed in No. 10 cans (as figured under paragraph (a) or (b)), whichever is higher.

(f) *Items for which maximum prices cannot be figured under this section.*

If the processor cannot figure a maximum price, f.o.b. shipping point, under the foregoing rules of this section or under section 10(a), for sales of any item to purchasers other than government procurement agencies, he may, if he wishes, figure his maximum price under the elective pricing method of section 10(c). If he cannot or elects not to figure his maximum price in this manner, he shall apply to the Office of Price Administration, Washington, D. C., for authorization of a maximum price under section 10(d).

3. The first two paragraphs of section 1(a) are amended to read as follows:

(a) *What products are covered by this supplement.* In general, this supplement established maximum prices for the 1944 and later packs of the canned fruits, berries and vegetables listed at the beginning of section 5 and 6 respectively, and others which may be added from time to time. It also covers other closely related packed food products. However, this supplement does not apply to any listed product which is packed and sold as "baby food," as "junior food" or as "soup." It covers most of the products which were covered by Maximum Price Regulation 300 (Certain Packed Food Products) plus certain additional products.

The general pricing provisions of this supplement are divided into two methods, respectively designated "Pricing Method No. 1," which is set forth in section 5, and "Pricing Method No. 2," which is set forth in section 6. The products covered by Pricing Method No. 1 are listed at the beginning of section 5, together with reference to the applicable appendix containing special pricing provisions for each of the products and the section in which the appendix appears. The products covered by Pricing Method No. 2 are listed at the beginning of section 6.

4. In section 5, the text following the section heading and preceding paragraph (a) is amended to read as follows:

The products covered by Pricing Method No. 1 are listed below, together with reference to the applicable appendix containing special pricing provisions for each of these products and the section in which the appendix appears.

NOTE: Packed snap beans produced in New Jersey and Maryland will be covered by Pricing Method No. 1. However, they may be priced under this supplement only on and after the effective date of the amendment adding them to the existing appendix for snap beans.

The processor shall figure a maximum price for each factory at which he processes the item being priced. (However, he may then elect to combine prices as provided in section 10(f)).

	Appendix	Section
Spinach.....	A	15
Asparagus.....	B	15
Red sour pitted cherries.....	A	16
Peas (except Blackeye, crowder, cream, and field).....	C	15
Apricots, halves (unpeeled), whole (Unpeeled), and whole (peeled) California only.....	B	16
Sweet cherries, light unpitted, California, Oregon, and Washington only.....	C	16
Yellow cling peaches, halves, sliced, quartered, and diced, California only.....	D	16
Snap beans (except New Jersey and Maryland).....	D	15
Tomatoes (except Italian pear shaped).....	E	15
Corn.....	F	15
Bartlett pears, halves (peeled), quarters (peeled), and diced, California only; halves (peeled) Oregon and Washington only.....	E	16
Fruit cocktail, California only.....	F	16

5. The following sentence is added to section 9(a)(1) and to section 9(a)(2):

The processor is, of course, free to make a greater allowance if he so desires.

6. Section 10(c) is amended to read as follows:

(c) *Elective pricing method for processors* (sec. 2.4 of FPR 1). The maximum "markup percentage" figure is 175 per cent. For the purpose of this supplement the reported maximum price shall be deemed to have been approved 30 days after mailing the report unless, within that time, the Office of Price Administration has either disapproved the maximum price or authorized another maximum price. Note: The processor should remember to allow sufficient time after the expiration of the 30-day period to permit notification by mail to reach them before he assumes that no action has been taken by the Office of Price Administration during that period.

7. Section 10(d) is amended to read as follows:

(d) *Individual authorization of maximum prices* (sec. 2.5 of FPR 1). This section shall also apply to secondary processors. For the purpose of this supplement the proposed maximum price shall be deemed to have been authorized 30 days after mailing the application (or all additional information which may have been requested) unless, within that time, the Office of Price Administration has mailed the applicant a notice to the contrary. Note: The applicant should remember to allow sufficient time after the expiration of the 30-day period to permit notification by mail to reach him before he assumes that no action

has been taken by the Office of Price Administration during that period.

8. Section 10(e) is amended to read as follows:

(e) Maintenance of customary discounts and allowances (sec. 2.16 of FPR 1). This section shall not apply to the label and labor allowances required to be made by processors under section 9.

9. Table 1 in Appendix B to section 16 is amended by deleting the item "2 Washington and Oregon" and the footnote "Prices to be announced later."

10. The caption of Appendix C to section 15 is amended to read as follows:

Appendix C—Peas (except blackeye, crowder, cream and field).

11. The caption of Appendix E to section 15 is amended to read as follows:

Appendix E—Tomatoes (except Italian pear shaped tomatoes).

12. In the table headed "Glass Containers" in section 12, the item "No. 303 . . . 17.03" is amended to read as follows:

No. 303 . . . 17.

13. Section 13a is added to read as follows:

Section 13a. *Individual adjustment of processors' maximum prices for products covered by Pricing Method No. 2.* (a) *When adjustments may be made.*

Either upon application in accordance with Revised Procedural Regulation No. 1 or on his own motion, the Price Administrator may adjust a processor's maximum price for any item figured under Section 6 of this supplement, where it appears that:

(1) The maximum price is below the median price at which sales of items of the specific grade are made by processors located in the general processing area;

(2) The processor would be entitled to a price increase under the standards set forth in paragraph (b), below; and

(3) In the judgment of the Price Administrator, an increase in the processor's maximum price would be in furtherance of the Emergency Price Control Act of 1942, as amended, the Stabilization Act of 1942, as amended, and Executive Orders Nos. 9250 and 9328.

(b) *Amount of adjustment.* The maximum price, as adjusted under this section, shall in event be higher than the median price at which sales of items of the specific grade are made by processors located in the general processing area. Subject to this limitation and the limitation of paragraph (a)(3), the adjusted maximum price shall not exceed the following amount:

(1) Processing costs for the item, if the processor's percentage of net profits (before income and excess profits taxes) to net sales of packed fruits,

berries and vegetables, during the most recent fiscal year, was 3 per cent or higher; or

(2) Total costs for the item, if the processor's percentage of net profits (before income and excess profits taxes) to net sales of packed fruits, berries, and vegetables, during the most recent fiscal year, was lower than 3 per cent.

In determining adjustments under this section changes in prices resulting from the granting of adjustments under this section shall, so far as practicable, be disregarded.

(c) *Definitions.* When used in this section the term:

(1) "Net sales" means gross sales less discounts allowed, returns and allowances, and outgoing freight.

(2) "Processing costs" means

(1) Actual cost per unit of all ingredients (other than raw agricultural commodities) and of packaging materials, for which maximum prices have been established, figured at no more than the current maximum prices applying to the class of purchasers to which the processor belongs, or, if no maximum prices have been established, figured at no more than their current maximum prices;

(ii) Actual cost per unit of all raw agricultural commodities used as ingredients, figured at no more than the applicable prices which the processor is permitted to use in figuring his maximum price under section 6;

(iii) Direct labor cost per unit, figured at no more than lawful current rates;

(iv) Transportation costs per unit by the usual mode of transportation, from the processor's customary supplier to his factory with respect to any cost used in (i), above, and from his customary receiving point to his factory with respect to any cost used in (ii), above, if that cost is not a delivered cost and if these charges are customarily incurred; and

(v) Other costs of processing per unit, such as indirect labor (figured at no more than lawful current rates), depreciation, factory rental, insurance, machinery repairs, and other cost factors generally pertaining to processing operations, but not including general administrative and selling expenses.

(3) "Total costs" means processing costs plus general administrative and selling expenses per unit.

(4) "Median price" means that price which is at the mid-point of the series of prices, arranged in order of size. Where the series consists of an even number of prices, the median price shall be the lower of the two prices in the middle of the series.